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SIGA RESOURCES LIMITED

2000 ANNUAL REPORT

CORPORATE PROFILE

Siga Resources Limited is a Canadian Venture Exchange listed company with 12,048,809 common shares issued and outstanding. The Corporation's trading symbol is "SIG".

TABLE OF CONTENTS

Report to Shareholders ..... Page 3
Property Review ..... Page 5
Auditors' Report ..... Page 6
Financial Statements ..... Page 7
Corporate Information ..... Page 14

NOTICE OF ANNUAL GENERAL MEETING

You are cordially invited to attend the Annual General Meeting of Siga Resources Limited at 9:00 A.M. on December 13, 2000 in the Conference Room at the offices of the Company, located at 400, 333 - 5 Avenue S.W., Calgary, Alberta T2P 3B6. Telephone: (403) 262-5075

REPORT TO SHAREHOLDERS:

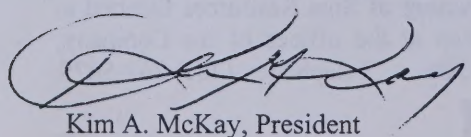
The past year was a year of posturing for future growth for Siga Resources Limited. We have put our old debt problems behind us and are moving forward onto new projects that will enhance shareholder value in the future.

During the year, we participated in a successful oil well on our Queensdale, Saskatchewan property and an unsuccessful well at Taber, Alberta. We successfully recompleted a well on our Provost, Alberta property as a Viking gas well and prepared it for production. On our Bruce, Alberta property, we installed a separator and dually completed an existing gas well.

Revenue for the year ending June 30, 2000 was $208,286, a 65% increase over the $126,473 realized the previous year. The higher revenue is attributed primarily to higher oil prices as the majority of our new production revenue will be reflected in our first and second quarter statements of the next fiscal year. Total expenses for the year, including depletion and amortization were $215,766, a 2% increase over last years' $211,855. General and Administration expenses were $79,519, compared to $70,324 the previous year. The loss for the year, after depletion and amortization of $29,008, was $7,480 ($0.001 per share) compared to a loss of $85,382 ($0.008 per share) in the previous fiscal year. At June 30, 2000, the Company had a working capital deficiency of $153,027. Subsequent to year end, the Company obtained a revolving production loan facility of $200,000 to eliminate the working capital deficiency and allow us to proceed with some new capital projects.

The management of Siga is committed to fulfilling our obligation to you, the Shareholder. Our corporate objective is to achieve above average growth in the value of our common shares. We intend to achieve this goal by adding low cost reserves, enhancing current production from our existing properties and maintaining careful control of overhead and operating costs.

We wish to thank our Shareholders and the Board of Directors of Siga for their ongoing support and interest in the Company.



Kim A. McKay, President

HIGHLIGHTS

	June 30, 2000	June 30,1999	Percentage Increase (Decrease)
Financial			
Revenue	208,286	126,473	65
Funds provided by Operations	101,047	52,747	92
per share	$0.008	$0.004	
Net Income	(7,480)	(85,382)	1,041
per share	($0.012)	$0.026	
Net Capital Expenditures	141,530	1,978	7,055
Long Term Debt	nil	nil	
Shareholders Equity	179,610	187,090	(4)
Value of Proved plus 50% Probable Reserves before income taxes, discounted at 15%	1,293,400	333,400 (1)	288
Reserves			
Oil and natural gas liquids (MSTB)			
Proven	64	52	23
Probable (50%)	22	--	--
Total	86	52(1)	23
Natural gas (Mmscf)			
Proven	589	132	346
Probable (50%)	--	--	--
Total	589	132(1)	346

(1) Engineering evaluation dated December 31, 1999.

PROPERTY REVIEW

BRUCE, ALBERTA

Siga owns a 100% working interest in a producing gas well at 6-17-50-16 W4M. During the past year, we installed a new separator and dually completed the well in the Viking and Colony formations. The well is currently producing approximately 60 mcf/d.

EYREMORE, ALBERTA

The Company owns a 3.75% working interest in a producing gas well located at 9-22-18-18 W4M. The well produces 40 mcf/d net to Siga

PEMBINA, ALBERTA

Siga owns a 100% working interest before payout (60% after payout) in a producing oil well located at 8-12-47-9 W5M. The property has two vertical infill locations and we are presently evaluating technical data to determine the possibility of drilling a horizontal well on the property early next year.

PROVOST, ALBERTA

The Company has a 25% working interest and a 7.5% overriding royalty interest in a gas well at 10-24-39-8 W4M. The well is expected to be placed on production prior to December 1, 2000.

QUEENSDALE, SASKATCHEWAN

Prior to year-end, Siga participated, as to a 10.5% working interest, in the drilling of a three-leg horizontal well. Jedi et al Queensdale 4A4-16/2D5-6-2 W2M, completed in July 2000, is currently producing 70 bopd. Siga has an interest in two other producing oil wells at Queensdale.

TABER, ALBERTA

The Company participated, as to a 7.5% working interest, in the drilling an exploratory well, Cal-Ranch et al Taber 9-36-9-16 W4M. The well, a deep pool test, was not capable of commercial production and will be abandoned.

AUDITORS' REPORT

November 3, 2000

To the Shareholders of Siga Resources Limited:

We have audited the balance sheets of Siga Resources Limited as at June 30, 2000 and June 30, 1999 and the statements of operations and deficit and cash flow for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2000 and June 30, 1999 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Garrett Power

GARRETT POWER
CHARTER ACCOUNTANTS
Calgary, Alberta

BALANCE SHEET

ASSETS	June 30 2000	1999
Current Assets:		
Cash	$ 402	$ 72
Accounts receivable (Note 5(a))	71,396	53,290
Prepaid expenses	4,900	2,445
	76,698	55,807
Capital assets (Note 2)	382,151	263,999
	$ 458,849	**$ 319,806**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable (Note 5(b))	$ 229,725	$ 88,832
Site restoration costs	49,514	43,884
Shareholders' equity:		
Share capital (Note 3)	1,221,440	1,221,440
Deficit	(1,041,830)	(1,034,350)
	179,610	187,090
	$ 458,849	**$ 319,806**

Approved By The Board of Directors:

Director

Director

STATEMENT OF OPERATIONS AND DEFICIT

	Year Ended June 30	
	2000	1999
Revenue:		
Production, net of royalties	$ 208,286	$ 126,473
Expenses:		
Depletion and amortization	29,008	67,805
General and administrative (Note 5(b))	79,519	70,324
Operating	107,239	73,726
	215,766	211,855
Loss for the year	(7,480)	(85,382)
Deficit at beginning of year	(1,034,350)	(948,968)
Deficit at end of year	$ (1,041,830)	$ 1,034,350)
Loss per share	$ (0.001)	$ (0.008)

STATEMENT OF CASH FLOW

	Year Ended June 30 2000	1999
Operations:		
Loss for the year	$ (7,480)	$ (85,382)
Add: Item not requiring a current cash flow - Depletion and amortization	29,008	67,805
Funds provided by (used in) operations	21,528	(17,577)
Decrease in non-cash working capital (Note 8)	120,332	18,391
Cash provided by operations	141,860	814
Investing:		
Acquisition of capital assets	(141,530)	(1,978)
Cash used in investing	(141,530)	(1,978)
Decrease in cash	330	(1,164)
Cash at beginning of year	72	1,236
Cash at end of year	**$ 402**	**$ 72**

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2000

1. Significant accounting policies:

Exploration and development costs -

The Company follows the full cost method of accounting for exploration and development expenditures whereby all costs directly related to the exploration for and development of petroleum and natural gas reserves are capitalized. All expenditures accumulated are depleted or amortized using the composite unit-of-production method based on estimated proven reserves as determined by independent petroleum engineers. Gas volumes are converted to equivalent oil volumes based upon the relative energy content of ten thousand cubic feet of gas to one barrel of oil. Proceeds on the disposal of properties are applied against capitalized costs. Gains or losses are recognized only if such treatment alters the depletion rate by more than 20%.

Oil and gas properties are subject to a ceiling test under which their carrying value, net of the accumulated provision for site restoration and abandonment costs and deferred income taxes, is limited to the undiscounted future net revenue from production of estimated proven oil and gas reserves, based on year end prices (oil - $45/bbl; gas $6/mcf), plus the unimpaired value of non-producing properties less future administration, financing, site restoration costs and income taxes.

Site restoration costs -

Site restoration costs are accrued based on estimates made by management and are charged against earnings as depletion expense.

Joint venture accounting -

A substantial part of the Company's operations are carried out through joint ventures. The financial statements reflect only the Company's proportionate interest in such activities.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2000 (cont'd)

2. Capital assets:

Capital assets are recorded at cost and are comprised of the following:

	June 30 2000	June 30 1999
Petroleum and natural gas assets	$ 1,281,420	$ 1,139,890
Other assets	23,957	23,957
	1,305,377	1,163,847
Accumulated depletion and amortization	923,226	899,848
	$ 382,151	$ 263,999

3. Share capital:

Authorized share capital of the Company consists of an unlimited number of common voting shares, unlimited number of first preferred shares and an unlimited number of second preferred shares. No preferred shares have been issued.

a) The following summarizes the movement in the share capital account for the period:

	Number of Shares June 30 2000	Number of Shares June 30 1999
Opening and closing balance	# 12,048,809	# 12,048,809

	Amount June 30 2000	Amount June 30 1999
Opening and closing balance	$ 1,221,440	$ 1,221,440

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2000 (cont'd)

4. Income taxes:

The Company has non-capital losses for income tax purposes of approximately $516,600 which are available to be carried forward, and applied against future taxable income. If unused, these losses will expire at various times to the year 2006. The Company's income tax value of assets exceeds their book value by $482,900. The potential benefit of these amounts have not been recognized in these financial statements.

5. Related party transactions:

a) Accounts receivable include $36,995 (1999 - $38,974) from a company controlled by a director. The balance is expected to be repaid in fiscal 2001.

b) General and administrative expenses include $5,955 (1999 - $5,294) of charges by companies controlled by a director relating to the Company's share of rent, wages and other office expenses. At June 30, 2000, $1,076 (1999 - $5,665) was included in accounts payable.

6. Financial instruments:

The Company's financial instruments that are included in the balance sheet are comprised of accounts receivable and accounts payable. The fair value of these financial instruments approximate their carried amount.

A substantial portion of the Company's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risk.

7. Contingency:

At June 30, 2000, the Company had a working capital deficiency of $153,027 and a deficit of $1,041,830. The Company's ability to continue as a going concern is dependent upon its ability to generate sufficient funds through future operations or to make other financing arrangements (see Note 9) to meets its obligations.

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2000 (cont'd)

8. Statement of cash flow:

The changes in non-cash working capital are comprised of:

Decrease (increase) in accounts receivable	$ (15,572)	$ 17,068
Decrease (increase) in prepaid expenses	(2,455)	154
Increase in accounts payable	138,359	1,169
	$ 120,332	$ 18,391

9. Subsequent event:

Subsequent to June 30, 2000, the Company obtained a revolving production loan facility of $200,000, bearing interest at prime plus 1.75%. Security on the loan includes a general security agreement covering all present and after acquired assets of the Company.

CORPORATE INFORMATION

Head Office

Suite 400, 333 - 5 Avenue S.W.
Calgary, Alberta T2P 3B6
Telephone: (403) 262-5075
Facsimile: (403) 265-3357

Auditors

Garrett Power Chartered Accountants
Calgary, Alberta

Directors

Murray J. Berg, Chairman of the Board
Kim A. McKay
Robert S. Bruce
Tibor Fekete
John L. Reid-Bicknell

Solicitors

Macleod Dixon
Calgary, Alberta

Officers

Kim A. McKay, President
Christine Tapuska, Corporate Secretary

Bank

Alberta Treasury Branches
2nd Floor, 239 – 8th Avenue S.W.
Calgary, Alberta

Listing Information

Canadian Venture Exchange
Symbol: "SIG"

Standard Abbreviations

BBL	=	Barrel	BOPD	=	Barrels of oil per day
MCF	=	Thousand cubic feet	MCFD	=	Thousand cubic feet per day
BOE	=	Barrel of oil equivalent (gas converted to oil @ 10 MCF equal to 1 BBL)			